



# Dangers of Payday Loans

Grade Level: Foundational Lesson Plan Timeframe: 1-2 DAYS Topic: Payday Loans  
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| <b>Overview &amp; Purpose</b><br>Students will examine the interest and penalties associated with payday loans.   | <b>FCCLA National Program(s)</b><br>Financial Fitness<br>STAR Events    |
| <u><b>Idaho Standards</b></u><br>PF 3.0, 4.0, 5.0 EFCS 3.2 YL 3.0 TL 4.3 HS 4.1 TLC 6.0 TP 6.0<br>AL 4.6 L 1.2, 1.3<br><u><b>National FACS Standards</b></u><br>1.0 2.0 3.0 6.0 11.0 12.0 13.0 16.0 | <b>Programs of study</b><br>Personal and Family Finance<br>Adult Living |

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| <b>Lesson Plan Goals &amp; Objectives</b><br>(Specify skills/information that will be learned.)       | Students will define payday loans<br>Students will identify the dangers of short term credit<br>Students will demonstrate their understanding of payday loans by creating an informational PowerPoint.  |
| <b>Materials Needed</b>   | <ul style="list-style-type: none"> <li>• Paper</li> <li>• Pencil</li> <li>• Computer with internet</li> </ul>   |
| <b>Introduction of Subject</b><br>Anticipatory set<br>(Give and/or demonstrate necessary information) | Bring in ads (video or print) of short term credit businesses such as payday loans, money tree, ect.<br>Ask students what they know about the ads. Who are their clients? What do they get out of the transaction? Do you know anyone who has used short term credit? |
| <b>Steps Guided Practice Verification</b><br>(Steps to check for student understanding)               | Ask guided questions during discussions to ensure student understanding of main concepts  |

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| <b>Activity 1</b><br>(Describe the independent activity to reinforce this lesson)                       | Define short term credit and discuss why people turn to it as a means to meet their financial needs.<br>Have students work in groups to research the different types of short term credit. For example- <ul style="list-style-type: none"> <li>▪ Payday loans</li> <li>▪ Title loans</li> <li>▪ Lines of credit</li> <li>▪ Installment loans</li> <li>▪ In-store loans</li> </ul> Have them identify the requirements of each loan and the penalties if the terms are not met. |
| <b>Activity 2</b><br>(Describe the independent activity to reinforce this lesson)                       | Have groups prepare a presentation for the class on their research. Delivery methods include but are not limited to PowerPoint, Illustrated talk, pamphlet, informative story book.  |
| <b>Activity 3</b><br>(Describe the independent activity to reinforce this lesson)                       | Have students plan and conduct a financial fitness fair on short term credit for either the high school students and or community.   |
| <b>Assessment</b>   | Class discussion<br>Student research<br>Student presentations  |
| <b>Summary/Evaluation</b><br>(Assign Homework, or Reflect on the Outcomes)                              | Student should write a ½-1 page paper on what they learned on the subject presented and how they will apply it in their lives.   |
| <b>Other Resources</b>  | (e.g. Web, books, etc.)<br><a href="http://feffe.arizona.edu/">http://feffe.arizona.edu/</a>   |
| <b>Additional Notes</b>   |  |
| <b>Source</b><br>(If Applicable : cite any published or copyrighted materials used in this lesson plan) | National Spotlight Project   |

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